

AMENDED IN ASSEMBLY MAY 27, 2011

AMENDED IN ASSEMBLY MAY 10, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 696

Introduced by Assembly Member Hueso

February 17, 2011

An act to amend Section 63040 of, and to add Section 63024.6 to, the Government Code, relating to economic development.

LEGISLATIVE COUNSEL'S DIGEST

AB 696, as amended, Hueso. Bergeson-Peace Infrastructure and Economic Development Bank Act.

(1) The Bergeson-Peace Infrastructure and Economic Development Bank Act sets forth the duties of the California Infrastructure and Economic Development Bank in financing economic development facilities, and promoting infrastructure and economic development opportunities in the state generally.

This bill would require the bank to consult, and authorize it to coordinate implementation of its revolving loan program, with local and regional revolving loan funds and networks of revolving loan funds, for specified purposes. ~~It would authorize the bank to establish one or more advisory groups to evaluate and make recommendations on modifications and improvements to the bank, and to periodically host roundtables, conferences, and other professional gatherings to support the development of innovative financing ideas.~~

(2) The act requires the bank to establish criteria, priorities, and guidelines for the selection of projects to receive assistance from the bank, to be based on a minimum of specified factors.

This bill, *beginning January 1, 2013*, would require a project selected to receive assistance from the bank to additionally have economic development benefits and meet land use criteria.

This bill would also require the bank to develop a methodology and process to allow the bank to measure the economic development benefits of a project.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 63040 of the Government Code is
2 amended to read:
3 63040. (a) Following consultation with appropriate state and
4 local agencies, the bank shall establish criteria, priorities, and
5 guidelines for the selection of projects to receive assistance from
6 the bank. Projects shall comply with the criteria, priorities, and
7 guidelines adopted by the bank and comply with the requirements
8 of subdivision ~~(b)~~ (c).
9 *(b) The bank shall develop a methodology and process to allow*
10 *the bank to measure the economic development benefits of a*
11 *project.*
12 ~~(b) The~~
13 *(c) Beginning January 1, 2013, the* bank shall only select a
14 project to receive assistance pursuant to this section if the project
15 meets both of the following criteria:
16 (1) (A) The project has economic development benefits.
17 (B) For purposes of this paragraph, a project has economic
18 development benefits if the project would provide for some
19 quantitative level of economic benefit, including, but not limited
20 to, the creation or retention of jobs, growth of the property tax
21 base, growth of sales tax revenues, or as otherwise determined by
22 the bank *using the methodology developed pursuant to subdivision*
23 *(b).*
24 (2) The project meets land use criteria.
25 ~~(e)~~
26 *(d) The criteria, priorities, and guidelines shall, at a minimum,*
27 *be based upon the following:*

1 (1) The State Environmental Goals and Policy Report, or its
2 successor, approved pursuant to Article 5 (commencing with
3 Section 65041) of Chapter 1.5 of Division 1 of Title 7.

4 (2) If the sponsor is a state agency, board, commission, or
5 department, the Capital and Infrastructure Project Planning Report,
6 prepared by the Director of Finance pursuant to Article 2
7 (commencing with Section 13100) of Chapter 2 of Part 3 of
8 Division 3 of Title 2.

9 ~~(d)~~

10 (e) When the bank establishes or makes changes to the criteria,
11 priorities, and guidelines, the bank shall notify the Governor, the
12 fiscal and policy committees of the Legislature that exercise
13 legislative oversight of the bank, and appropriate state and local
14 agencies.

15 ~~(e)~~

16 (f) The resolution required in Section 63041 shall have been
17 adopted prior to the project's selection by the bank.

18 SEC. 2. Section 63024.6 is added to the Government Code, to
19 read:

20 63024.6. ~~(a)~~—The bank shall consult, and may coordinate
21 implementation of its revolving loan program, with local and
22 regional revolving loan funds and networks of revolving loan
23 funds, for the purpose of improving the infrastructure and small
24 business credit markets.

25 ~~(b) The bank may establish one or more advisory groups~~
26 ~~consisting of economic development and finance professionals;~~
27 ~~and other stakeholders, to evaluate and make recommendations~~
28 ~~on modifications and improvements to the bank for the purpose~~
29 ~~of enhancing the state's economic competitiveness and job creation~~
30 ~~activities.~~

31 ~~(c) The bank may periodically host, in partnership with other~~
32 ~~public and private infrastructure and economic development~~
33 ~~financial and investment entities, roundtables, conferences, and~~
34 ~~other professional gatherings to support the development of~~
35 ~~innovative financing ideas that can result in new and enhanced~~
36 ~~funding opportunities for California communities and businesses.~~